



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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For Immediate Release

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(WASHINGTON, D.C.) Today, ten Senators sent the following letter to President Bush regarding trade with Taiwan. The Senators are asking for Taiwan to be considered for free trade agreement status with the United States.

September 26, 2003

President George W. Bush
The White House
Washington, DC 20500

Dear Mr. President:

Since congressional approval of Trade Promotion Authority in 2002 (P.L. 107-210), the United States has moved forward with a robust trade agenda. We believe that, given the strong U.S.-Taiwan trade relationship, Taiwan should be under consideration for a free trade agreement with the United States.

Taiwan is a major economic power and an important trading partner of the U.S. Indeed, throughout the past decade, it has consistently ranked as one of the top 10 U.S. export markets. Taipei is currently our 8th largest trading partner. In 2002, U.S.-Taiwan trade totaled some \$50 billion, with U.S. exports to Taipei reaching \$18.4 billion. Your administration's assistance in securing Taiwan's entry into the World Trade Organization in 2001 has allowed this relationship to prosper by helping to ensure that market barriers to U.S. products remain low and U.S. companies have a means to solve disputes over intellectual property and other matters. Moreover, the International Trade Commission recently concluded that eliminating tariffs on U.S. trade with Taiwan could increase U.S. exports by several billion dollars per year, while eliminating non-tariff barriers would yield additional benefits to service exports.

We think that any outstanding concerns in the U.S.-Taiwan bilateral trade relationship can effectively and appropriately be dealt with through the negotiation of a free trade agreement. We understand that this was successful in the case of Chile, regarding, among other issues, its protection of intellectual property rights and treatment of agricultural products. The negotiation of a free trade agreement will allow our economic ties with Taiwan to continue to flourish.

It is also important to note that the reasons for pursuing a free trade agreement with Taiwan reach far beyond our trade relationship. Such an agreement would further demonstrate a strong U.S. commitment to our close and longstanding ally, as well as make clear that it remains a top

priority of the U.S. to defend and promote democratic governments, like Taiwan's, that respect the rule of law and the human rights of their people.

As we move ahead on consideration of a possible U.S.-Taiwan free trade agreement, we believe it would be useful to resolve answers to several questions:

1. What are the criteria for determining whether to negotiate a free trade agreement? Which, if any, of these criteria has Taiwan not met, and what concrete steps must Taiwan take in order to meet them?
2. Once Taiwan meets the criteria, does the administration plan to begin free trade agreement negotiations with Taipei? If not, why?
3. Did all of the countries with which the U.S. is currently negotiating free trade agreements meet the selection criteria prior to the commencement of negotiations?

Thank you in advance for your consideration of this matter, and we look forward to a response at your earliest convenience.

Sincerely,

John Kyl
Max Baucus
Saxby Chambliss
Conrad Burns
Mike Crapo
Tim Johnson
Maria Cantwell
Jim Bunning
B.Benjamin Nelson
Jeff Sessions